

24. FEDERAL EMPLOYMENT AND COMPENSATION

This section provides information on civilian and military employment in the Executive, Legislative, and Judicial branches. It also provides information on personnel compensation and benefits and on overseas staffing presence.

Measuring Federal Employment

For budgetary purposes, civilian employment is measured on the basis of full-time equivalents (FTEs). One FTE is equal to one work year (see OMB Circular A-11, Section 32). Put simply, one full-time employee counts as one FTE, and two half-time employees also count as one FTE.

Significant Changes in Civilian Employment

Table 24-1 shows Executive Branch civilian FTE (excluding the U.S. Postal Service) growing by two percent between 2003 and 2007. The primary reason for this growth is related to homeland security and the global war on terrorism. Significant changes by agency are discussed below.

The *Department of Commerce* requests additional FTE, the majority of which will allow the U.S. Patent and Trademark Office (PTO) to reduce a large backlog of patent applications. PTO fees fully fund the increase in FTE. The augmentation is also due to increased workload associated with the 2010 Census development and testing, including full implementation of the American Community Survey, by the Census Bureau.

The *Department of Energy* is increasing its FTE as it continues to oversee the Nation's effort to improve energy supply and conservation. Increases are also due to weapons-related workload within the National Nuclear Security Administration.

The *Department of Health and Human Services* is requesting additional FTE to support the implementation of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) at the Centers for Medicare and Medicaid Services; conduct hearings and appeals as directed by the MMA, expand staff at the Indian Health Service health care facilities; increase scientific research positions at the National Institutes of Health; conduct pre-market review of new drugs, medical devices, animal drugs, and other products regulated at the Food and Drug Administration (FDA) and the FDA Office of Drug Safety; increase activities at the Office of the National Coordinator for Health Information Technology; implement pandemic influenza preparedness and biodefense activities; increase Inspector General's work on fraud and abuse in a number of HHS programs, including Medicaid; and add Program Support Center staff to handle increased Service and Supply Fund business.

The total FTE for the *Department of Homeland Security* continues to stabilize. New increases are driven by additional personnel for immigration, customs, and border protection.

Department of Justice FTE are increasing due to enhancements in law enforcement and homeland security-related programs. This growth largely occurs in the Federal Bureau of Investigation, Federal Prison System, Bureau of Alcohol, Tobacco, Firearms, and Explosives, and the U.S. Marshals.

The majority of the FTE increase for the *Department of Veterans Affairs* is related to VA Medical Care in order to provide timely, accessible, and high quality care to our Nation's veterans. The remaining increase is primarily to ensure timely and accurate benefits processing.

The *Office of Personnel Management* gains FTE as it completes the transfer of security investigative personnel from the Department of Defense to OPM.

The *Social Security Administration* is projecting a decrease in FTE as the agency completes its increased workload related to processing applications for prescription drugs under the Medicare Prescription Drug Improvement and Modernization Act of 2003.

Significant Changes in Military Employment

As seen in Table 24-3, the *Department of Defense's* request reduces active duty personnel. The bulk of these positions are being eliminated in the Navy and Air Force as part of those Services' streamlining and rightsizing efforts. The remaining personnel were extra strength on active duty due to Global War on Terror requirements.

Personnel Compensation and Benefits

Table 24-4 displays personnel compensation and benefits (in millions of dollars) for Federal civilian and military personnel of all branches of Government.

Direct compensation of the Federal civilian work force includes base pay and premium pay, such as overtime. In addition, it includes other cash components, such as geographic and other pay differentials (e.g., locality pay, and special pay adjustments for law enforcement officers), recruitment and relocation bonuses, retention allowances, performance awards, and cost-of-living and overseas allowances. Military personnel compensation also includes special and incentive pays (e.g., enlistment and reenlistment bonuses), and allowances for clothing, housing, and subsistence.

Personnel benefits for current employees consists of the cost to Government agencies for health insurance, life insurance, Social Security (old age, survivors, disability, and health insurance) contributions to the retirement funds to finance future retirement benefits,

and other items. Compensation for former personnel includes outlays for retirement pay benefits and the Government's share of the cost of health and life insurance.

The U.S. Overseas Staffing Presence

There are approximately 67,000 permanent American and locally hired staff overseas under the authority of Chiefs of Mission (e.g., Ambassadors or Charge d' Affairs at U.S. embassies worldwide). The average cost of an American position overseas in 2007 is projected to be about \$491,000. This total includes direct costs, such as salary and overseas allowances, and support costs, such as housing, educational costs for dependents, travel, administrative support and Capital Security Cost Sharing charges.

The Administration is working to improve the safety, efficiency, and accountability in U.S. Government staffing overseas through the Presidential Management Agenda (PMA) initiative on a Right-sized Overseas Presence. Rightsizing is ensuring that the composition of Government agencies and staffing overseas is consistent with our foreign policy goals, security concerns, and overall fiscal constraints.

A key component of this initiative is developing transparent data on overseas staffing, including the cost of maintaining positions overseas, and incorporating this data in the budget process to better inform decision makers on overseas staffing levels. With our foreign policy priorities necessitating increased support to meet new requirements in the Global War on Terror, the fight against global AIDS, and support for emerging democracies, it is important that we be able to deploy our overseas staff resources effectively.

Periodic reviews are another tool to encourage effective deployment of staff overseas. For example, when a new embassy construction project is under development, formal staffing rightsizing reviews are now required. For the new embassy construction projects in-

cluded in the President 2007 budget, these review resulted in an eight percent reduction in projected staffing needs. These reviews focus on linking staffing to mission goals, eliminating unnecessary duplication, and encouraging shared services and outsourcing. The Department of State plans to review staffing at each existing U.S. mission once every five years.

Overseas Staffing Under Chief of Mission (COM) Authority*

Total Personnel Overseas Under COM Authority (Including American and Locally Engaged Staff) Projected for 2006	Total American Personnel Overseas Under COM Authority Projected for 2006	Average Cost of a U.S. Direct Hire Overseas Estimated for 2007	New Overseas American Positions Funded in the President's 2007 Budget
66,854	14,526	\$491,000	303

* As reported by agencies in their 2007 budget submissions

Another element of the rightsizing plan is to consolidate functions, which are not location specific, in regional centers or back to the United States. In 2005, The Department of State opened a new regional center in Frankfurt, Germany that will be used to provide consolidated support services to Europe and parts of Africa and Near East Asia. The Department's new Office of Global Support Services and Innovation is implementing a plan that will systematically regionalize or centralize all non-location specific support services over the next three years, beginning with high-threat danger posts in 2006, to be completed through 2008.

The Administration will continue to build on these Rightsizing initiatives through expanded shared-services and regionalization/centralization, rigorous post level reviews, and an accurate accounting of overseas staffing and costs to strengthen mechanisms to ensure safety, efficiency, and accountability in our U.S. Government personnel presence overseas.

Table 24-1. FEDERAL CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH

(Civilian employment as measured by Full-Time Equivalents, in thousands)

Agency	Actual			Estimate		Change: 2003 to 2007	
	2003	2004	2005	2006	2007	FTE's	Percent
Cabinet agencies:							
Agriculture	101.4	100.5	99.6	100.1	99.1	-2.3	-2.3%
Commerce	34.5	34.6	35.1	37.4	38.2	3.7	10.7%
Defense-military functions	648.9	650.4	653.0	666.7	663.6	14.7	2.3%
Education	4.5	4.4	4.3	4.3	4.3	-0.2	-3.4%
Energy	15.6	15.1	14.9	15.7	15.9	0.3	1.8%
Health and Human Services	60.0	59.3	59.3	61.3	62.0	2.0	3.3%
Homeland Security	144.5	137.3	143.3	146.6	150.3	5.8	4.0%
Housing and Urban Development	10.4	10.2	9.9	9.8	9.4	-1.0	-9.1%
Interior	71.0	70.7	70.4	70.2	69.8	-1.2	-1.7%
Justice	99.4	101.4	103.0	118.5	117.6	18.2	18.3%
Labor	16.9	16.5	16.0	16.8	16.9
State	29.5	30.0	30.1	30.3	30.5	1.0	3.3%
Transportation	59.0	57.3	55.5	55.4	55.9	-3.1	-5.3%
Treasury	115.4	113.6	110.0	112.5	110.3	-5.1	-4.5%
Veterans Affairs	211.8	218.7	222.0	222.8	223.3	11.5	5.4%
Other agenciesexcluding Postal Service:							
Agency for International Development	2.3	2.2	2.4	2.5	2.7	0.4	17.2%
Broadcasting Board of Governors	2.4	2.3	2.2	2.3	2.2	-0.2	-8.5%
Corps of EngineersCivil Works	24.5	23.5	22.5	22.9	22.5	-2.0	-8.2%
Environmental Protection Agency	17.5	17.3	17.5	17.4	17.6	0.1	0.4%
Equal Employment Opportunity Comm	2.6	2.5	2.4	2.4	2.4	-0.2	-8.4%
Federal Deposit Insurance Corporation	5.4	5.3	4.9	4.2	4.1	-1.3	-24.6%
General Services Administration	12.9	12.6	12.5	12.2	12.0	-0.9	-7.0%
National Aeronautics and Space Admin	18.7	18.8	18.8	18.6	18.2	-0.5	-2.7%
National Archives and Records Administration	2.8	2.8	2.8	2.9	2.9	0.1	3.6%
National Labor Relations Board	1.9	1.9	1.8	1.8	1.8	-0.1	-4.5%
National Science Foundation	1.2	1.3	1.3	1.4	1.4	0.2	15.5%
Nuclear Regulatory Commission	2.9	3.0	3.1	3.3	3.3	0.4	14.1%
Office of Personnel Management	2.8	2.8	3.6	4.5	4.5	1.7	61.9%
Peace Corps	1.0	1.1	1.0	1.1	1.1	0.1	14.8%
Railroad Retirement Board	1.1	1.1	1.0	1.0	0.9	-0.2	-13.8%
Securities and Exchange Commission	3.1	3.6	3.9	3.8	3.7	0.6	18.9%
Small Business Administration	3.8	3.4	4.1	5.2	3.0	-0.8	-21.7%
Smithsonian Institution	5.2	5.1	5.1	5.6	5.6	0.4	8.3%
Social Security Administration	63.1	63.9	64.6	64.0	62.0	-1.1	-1.7%
Tennessee Valley Authority	13.1	12.0	12.6	12.7	12.5	-0.6	-4.5%
All other small agencies	15.1	14.9	14.8	15.7	16.1	1.0	6.4%
Total, Executive Branch civilian employment *	1,826.2	1,821.1	1,829.6	1,874.2	1,867.7	41.5	2.3%
Subtotal, Defense	648.9	650.4	653.0	666.7	663.6	14.7	2.3%
Subtotal, Non-Defense	1,177.3	1,170.7	1,176.6	1,207.5	1,204.0	26.7	2.3%

* Totals may not add due to rounding.

Table 24–2. TOTAL FEDERAL EMPLOYMENT

(As measured by total positions filled)

Description	Actual as of September 30			Change: 2003 to 2005	
	2003	2004	2005	Positions	Percent
Executive branch civilian employment:					
All agencies except Postal Service and Postal Rate Commission:					
Full-time permanent	1,646,688	1,662,990	1,663,043	16,355	1.0%
Other than full-time permanent	220,288	218,953	209,157	–11,131	–5.1%
Subtotal	1,866,976	1,881,943	1,872,200	5,224	0.3%
Postal Service: ¹					
Full-time permanent	634,709	609,579	605,120	–29,589	–4.7%
Other than full-time permanent	164,539	158,083	159,090	–5,449	–3.3%
Subtotal	799,248	767,662	764,210	–35,038	–4.4%
Subtotal, Executive branch civilian employment	2,666,224	2,649,605	2,636,410	–29,814	–1.1%
Military personnel on active duty: ²					
Department of Defense	1,434,377	1,426,836	1,389,394	–44,983	–3.1%
Department of Homeland Security (USCG)	37,472	40,230	40,710	3,238	8.6%
Commissioned Corps (HHS, EPA, NOAA)	6,200	6,357	6,363	163	2.6%
Subtotal, military personnel	1,478,049	1,473,423	1,436,467	–41,582	–2.8%
Subtotal, Executive Branch	4,144,273	4,123,028	4,072,877	–71,396	–1.7%
Legislative branch:					
Full-time permanent	12,044	11,614	11,389	–655	–5.4%
Other than full-time permanent	19,070	18,435	19,427	357	1.9%
Subtotal, Legislative Branch	31,114	30,049	30,816	–298	–1.0%
Judicial Branch:					
Full-time permanent	30,955	30,537	30,765	–190	–0.6%
Other than full-time permanent	3,304	3,324	3,299	–5	–0.2%
Subtotal, Judicial Branch	34,259	33,861	34,064	–195	–0.6%
Grand total ³	4,209,646	4,186,938	4,137,757	–71,889	–1.7%
ADDENDUM					
Executive branch civilian personnel (excluding Postal Service):					
DOD civilians—Military functions	636,454	644,251	648,590	12,136	1.9%
All other executive branch	1,230,522	1,237,692	1,223,610	–6,912	–0.6%
Total	1,866,976	1,881,943	1,872,200	5,224	0.3%

¹ Includes Postal Rate Commission.² Excludes reserve components.³ Includes Summer Aides, Stay-in-school, Junior Fellowship, Worker-Trainee Opportunity, and disadvantage youth programs.

Table 24–3. TOTAL FEDERAL EMPLOYMENT

(As measured by Full-Time Equivalents)

Description	2005 Actual	Estimate		Change: 2005 to 2007	
		2006	2007	FTE's	Percent
Executive branch civilian personnel:					
All agencies except Postal Service and Defense	1,176,630	1,207,502	1,204,005	27,375	2.3%
Defense-Military functions (civilians)	652,987	666,663	663,649	10,662	1.6%
Subtotal, excluding Postal Service	1,829,617	1,874,165	1,867,654	38,037	2.1%
Postal Service ¹	744,196	732,348	717,000	-27,196	-3.7%
Subtotal, Executive Branch civilian personnel	2,573,813	2,606,513	2,584,654	10,841	0.4%
Executive branch uniformed personnel: ²					
Department of Defense	1,408,115	1,375,647	1,347,100	-61,015	-4.3%
Department of Homeland Security (USCG)	40,710	41,139	41,528	818	2.0%
Commissioned Corps (HHS, EPA, NOAA)	6,363	6,404	6,420	57	0.9%
Subtotal, uniformed military personnel	1,455,188	1,423,190	1,395,048	-60,140	-4.1%
Subtotal, Executive Branch	4,029,001	4,029,703	3,979,702	-49,299	-1.2%
Legislative Branch: 3 Total FTE ³	31,831	32,681	33,004	1,173	3.7%
Judicial branch: Total FTE	32,912	33,681	34,086	1,174	3.6%
Grand total	4,093,744	4,096,065	4,046,792	-46,952	-1.1%

¹ Includes Postal Rate Commission.² Military personnel on active duty. Excludes reserve components. Data shown for military are average strengths, not FTEs.³ FTE data not available for the Senate (positions filled were used).

TABLE 24-4. PERSONNEL COMPENSATION AND BENEFITS

(In millions of dollars)

Description	2005 Actual	2006 Estimate	2007 Request	Change: 2005 to 2007	
				Dollars	Percent
Civilian personnel costs:					
Executive Branch (excluding Postal Service):					
Direct compensation:					
DODmilitary functions	40,899	42,013	42,587	1,688	4.1%
All other executive branch	83,960	88,859	91,337	7,377	8.8%
Subtotal, direct compensation	124,859	130,872	133,924	9,065	7.3%
Personnel benefits:					
DODmilitary functions	10,619	11,151	11,477	858	8.1%
All other executive branch	34,315	35,904	36,885	2,570	7.5%
Subtotal, personnel benefits	44,934	47,055	48,362	3,428	7.6%
Subtotal, executive branch	169,793	177,927	182,286	12,493	7.4%
Postal Service:					
Direct compensation	39,300	40,195	40,953	1,653	4.2%
Personnel benefits	13,084	15,020	15,263	2,179	16.7%
Subtotal	52,384	55,215	56,216	3,832	7.3%
Legislative Branch: ¹					
Direct compensation	1,803	1,871	1,968	165	9.2%
Personnel benefits	482	532	560	78	16.2%
Subtotal	2,285	2,403	2,528	243	10.6%
Judicial Branch:					
Direct compensation	2,556	2,731	2,917	361	14.1%
Personnel benefits	736	799	849	113	15.4%
Subtotal	3,292	3,530	3,766	474	14.4%
Total, civilian personnel costs	227,754	239,075	244,796	17,042	7.5%
Military personnel costs:					
DODMilitary Functions:					
Direct compensation	79,445	74,162	71,421	-8,024	-10.1%
Personnel benefits	38,329	37,055	37,174	-1,155	-3.0%
Subtotal	117,774	111,217	108,595	-9,179	-7.8%
All other executive branch, uniformed personnel:					
Direct compensation	2,407	2,612	2,636	229	9.5%
Personnel benefits	653	724	753	100	15.3%
Subtotal	3,060	3,336	3,389	329	10.8%
Total, military personnel costs ²	120,834	114,553	111,984	-8,850	-7.3%
Grand total, personnel costs	348,588	353,628	356,780	8,192	2.4%
ADDENDUM					
Former Civilian Personnel:					
Retired pay for former personnel	56,073	59,579	62,516	6,443	11.5%
Government payment for Annuitants:					
Employee health benefits	7,889	8,204	8,765	876	11.1%
Employee life insurance	38	39	39	1	2.6%
Former Military personnel:					
Retired pay for former personnel	39,166	41,396	43,582	4,416	11.3%
Military annuitants health benefits	6,399	7,097	7,541	1,142	17.8%

¹ Excludes members and officers of the Senate.² Excludes reserve components not on active duty.